

STATE OF SOUTH CAROLINA

Petition of South Carolina Electric & Gas Company
for an Accounting Order to Defer and Record as a
Regulatory Asset a Community/Economic
Development Grant Made to Barnwell County,
South Carolina

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - ____ - E

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input checked="" type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



K. Chad Burgess
Assistant General Counsel

chad.burgess@scana.com

December 4, 2009

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company
Petition for an Accounting Order
Docket No. 2009-____-E

Dear Mr. Terreni:

Enclosed for filing, on behalf of South Carolina Electric & Gas Company, is a Petition for an accounting order to defer and record as a regulatory asset a community/economic development grant made to Barnwell County, South Carolina.

By copy of this letter we are serving the South Carolina Office of Regulatory Staff with a copy of the enclosed Petition and attach a certificate of service to that effect.

If you have any questions, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
John W. Flitter
(both electronic mail and First Class U.S. Mail w/enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009 - ____ - E

IN RE:

Petition of South Carolina Electric & Gas)	
Company for an Accounting Order to)	
Defer and Record as a Regulatory Asset)	PETITION OF SOUTH CAROLINA
a Community/Economic Development)	ELECTRIC & GAS COMPANY
Grant Made to Barnwell County,)	FOR AN ACCOUNTING ORDER
South Carolina.)	
_____)	

South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") this Petition, pursuant to S.C. Code Ann. § 58-27-1540 (Supp. 2008) and 26 S.C. Code Ann. Reg. 103-825 (1976, as amended), seeking an accounting order for regulatory accounting purposes authorizing SCE&G to defer and record as a regulatory asset a certain payment made to Barnwell County, South Carolina in the form of a Community/Economic Development Grant in the amount of \$1 million ("Grant"). Barnwell County used the Grant to entice Crane Co., which was considering a consolidation of its North American vending operations, to relocate and merge its existing facility in St. Louis, Missouri into the Dixie-Narco, Inc. ("Dixie-Narco") facility in Williston, South Carolina.

The request for relief set forth herein will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation, or policy. In addition, the issuance of the requested accounting order will not prejudice the right of any party to address this

issue in a subsequent general rate case proceeding. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this Petition.

In support of this petition, SCE&G respectfully would show unto the Commission the following key facts and would request and petition the Commission for the following relief:

1. SCE&G is a corporation organized and existing under the laws of the State of South Carolina. Further, SCE&G is, in part, an electric utility engaged in the generation, transmission, distribution, and sale of electricity to the public for consumption. SCE&G's retail electric operations are subject to the jurisdiction of the Commission pursuant to the provisions of Chapter 27 of Title 58 of the South Carolina Code of Laws.

2. SCE&G operates an integrated electric utility system that serves over 654,000 customers in 24 counties covering nearly 16,000 square miles in central, southern and southwestern portions of South Carolina. SCE&G's service territory includes the metropolitan areas of Charleston, Columbia, Beaufort, and Aiken and many other smaller cities and towns, and rural areas in South Carolina.

3. Corporate legal counsel for SCE&G in this proceeding are as follows:

K. Chad Burgess, Esquire
Matthew W. Gissendanner, Esquire
South Carolina Electric & Gas Company
Mail Code C222
220 Operation Way
Cayce, SC 29033-3701
Telephone: 803-217-8141
Facsimile: 803-217-7931
chad.burgess@scana.com
matthew.gissendanner@scana.com

All correspondence and any other matters relative to this proceeding should be addressed to SCE&G's authorized representatives as stated hereinabove.

4. Dixie-Narco is a subsidiary of Crane Co., a diversified manufacturer of highly engineered industrial products. SCE&G provides electric service to Dixie-Narco's main plant in Williston, South Carolina, which is located in Barnwell County. In early 2009, Dixie-Narco contacted SCE&G to inform the Company that Crane Co. was considering the future of Dixie-Narco's Williston plant, which included, among other things, the possibility of expanding the plant. Dixie-Narco explained that any plant expansion would involve the consolidation of Crane Co.'s existing facility located in St. Louis, Missouri by relocating and merging it into Dixie-Narco's Williston facility. Further, any future expansion would increase the electric demand at the Williston plant by approximately 3,200 kilowatts.

5. SCE&G informed Dixie-Narco that it possessed the ability to accommodate the increase in electric load. Moreover, in an effort to promote economic development in Barnwell County and convince Crane Co. to expand its Dixie-Narco plant, SCE&G advised Crane Co. and Dixie-Narco that it was willing to provide Barnwell County with the Grant in the amount of \$1 million. For this and other reasons, Crane Co. decided to relocate and merge its Missouri facility into the existing Barnwell County facility.

6. The Grant was pivotal in inducing Crane Co. to consolidate its North American vending operations and merge them into the Dixie-Narco facility in Williston. In addition to preserving approximately 500 existing jobs in South Carolina, this consolidation has the potential to create approximately 1,000 new jobs at the Barnwell County facility over the next five years. Moreover, Crane Co. anticipates that it will invest approximately \$20 million over time in its Williston facility to increase operations, which will benefit Barnwell County.

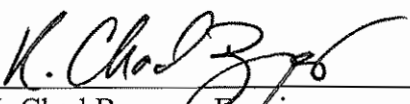
7. In contemplation of this expansion, SCE&G and Dixie-Narco recently entered into a new Contract for Electric Service ("Contract"). The Contract is effective October 1, 2009

and continues through October 1, 2019 unless an early termination is mutually agreed upon by the parties. Approval of this Contract is currently pending before the Commission. See Docket No. 2009-482-E.

8. Based upon the foregoing, SCE&G seeks authorization from the Commission to defer and record as a regulatory asset the \$1 million payment made to Barnwell County as a Community/Economic Development Grant. With regard to the deferral amount, SCE&G requests authorization that the deferred amount be amortized to electric operating expenses over the ten-year term of the Contract in equally monthly amounts effective October 1, 2009.

WHEREFORE, having set forth its Petition, SCE&G respectfully requests that the Commission issue an order (i) granting the Company the authority to defer and record as a regulatory asset the \$1 million payment made to Barnwell County as a Community/Economic Development Grant and that the deferred amount be amortized to electric operating expenses over the ten-year term of the Contract in equally monthly amounts effective October 1, 2009 and (ii) granting such other and further relief as is just and proper.

Respectfully submitted,


K. Chad Burgess, Esquire
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Attorneys for SCE&G

Cayce, South Carolina
December 4, 2009

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2009-____-E

IN RE:

Petition of South Carolina Electric & Gas)
Company for an Accounting Order to)
Defer and Record as a Regulatory Asset a)
Community/Economic Development)
Grant Made to Barnwell County, South)
Carolina)
_____)

**CERTIFICATE
OF SERVICE**

This is the certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Petition for an Accounting Order** via electronic mail and First Class U.S. Mail to the persons named below at the addresses set forth:

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
shudson@regstaff.sc.gov

John W. Flitter
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
jflitter@regstaff.sc.gov


Karen M. Scruggs

Columbia, South Carolina
This 4th day of December 2009